

# County of San Luis Obispo

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**DAN BUCKSHI**  
COUNTY ADMINISTRATOR

TO: Board of Supervisors

FROM: Emily Jackson, Principal Administrative Analyst

DATE: September 13, 2016

SUBJECT: Fiscal Year 2016-17 Final Budget Actions

The Auditor-Controller's Office is responsible for estimating Fund Balance Available (FBA) as part of the proposed budget process and for calculating the actual FBA after the books close at the end of the fiscal year. An estimated FBA of \$34.4 million was used in developing the FY 2016-17 proposed General Fund budget. When the County's books closed in August, actual FBA for the General Fund was \$5.6 million higher than estimated, for a total of \$40 million in FY 2015-16 General Fund savings. Please refer to the Auditor's Office staff report for an explanation of how estimated and actual FBA is calculated and why the variance occurred.

The Administrative Office has the responsibility for making recommendations to your Board regarding the use of any additional General Fund FBA. As noted above and in the Auditor's Office staff report, FBA was \$5.6 million higher than budgeted. The additional FBA is recommended to be allocated as follows:

- \$1,092,091 to General Fund contingencies to restore contingencies to the full 5% target, after modifications were made by the Board to the Proposed Budget during budget hearings;
- \$2,000,000 to the General Reserve (increasing the General Reserve to a total of \$13 million), to be available to address any future budgetary gaps or natural disasters;
- \$500,000 appropriated to County Counsel to fund work related to the closure and decommissioning of Diablo Canyon Power Plant; and
- \$1,979,507 to the General Government Building Replacement – Building Replacement designation to be used as a funding source for future projects. It is likely that a portion of this amount will be moved to FC 200- Maintenance Projects mid-year to address deferred maintenance and earthquake assessments on County facilities.

The allocation of the additional FBA is intended to be one-time and not a commitment to ongoing, additional allocations due to the one-time nature of FBA.